



Department of Health and Human Services

Administration For Children and Families

Region V

Illinois • Indiana • Michigan • Minnesota • Ohio • Wisconsin

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JUN 09 2005

Helene Nelson, Secretary
Wisconsin Department of Health
And Family Services
1 West Wilson Street
Madison, Wisconsin 53708

Dear Secretary Nelson:

During the week of May 2, 2005, staff from the Administration for Children and Families (ACF), in collaboration with staff from Wisconsin's Department of Health and Family Services (DHFS), conducted a secondary review of the State's title IV-E foster care program. The purpose of the title IV-E foster care eligibility review was to determine whether payments were made on behalf of eligible children and to eligible foster family homes and child care institutions in accordance with 45 CFR 1356.71 and Section 472 of the Social Security Act.

The secondary review was conducted as the result of the findings of the initial primary title IV-E review, held the week of March 4, 2002, in which Wisconsin was found not to be in substantial compliance with title IV-E requirements. As a result of the initial primary review, Wisconsin submitted to ACF a title IV-E Program Improvement Plan (PIP) which we approved on August 8, 2002. ACF's approval of the PIP's completion was based on the State's submission of four quarterly reports outlining the improvements and accomplishments made in relation to the PIP goals necessary for Wisconsin's compliance with title IV-E policy.

For the secondary review, a sample of 180 cases (150 plus an oversample of 30) was drawn from the Adoption and Foster Care Analysis and Reporting System (AFCARS) data submitted by DHFS. One hundred fifty cases were reviewed throughout the week, including 137 cases from the original sample and 13 cases from the oversample, to determine title IV-E eligibility for the child in care and to determine whether the foster home or institution fulfilled licensing requirements.

For a State to be found in substantial compliance with Federal title IV-E program requirements during a secondary review, either the case error rate or dollar error rate of the cases reviewed must not exceed 10 percent. Based on the review of 150 cases, one case was found to be in error for part of the review period, resulting in a case error rate of 0.006 percent. Though the case error occurred during the period under review (PUR), the actual disallowance affects a time period outside the PUR; therefore, there are no dollars disallowed for the PUR, resulting in a dollar error rate of zero percent.

Of the 149 cases determined to be non-errors, 4 cases were found to have ineligible payments outside the PUR.

As neither the case error rate nor the dollar error rate exceed 10 percent, Wisconsin is found to be in substantial compliance with the Federal title IV-E program requirements as outlined in 45 CFR 1356.71 and Section 472 of the Social Security Act. However, ACF has determined that a total disallowance of \$9,448.61 in Federal financial participation (FFP) is warranted due to the one error case and four non-error cases with ineligible payments. Of this total, \$2,444.58 pertains to ineligible title IV-E foster care maintenance payments and \$7,004.03 pertains to ineligible title IV-E foster care administrative costs. Please refer to attachment A of the Final Report for the financial details relating to the five aforementioned cases.

This letter constitutes a formal notice of disallowance that totals \$9,448.61 in FFP. Since this amount includes costs that have been previously claimed and reimbursed in prior Form ACF-IVE-1 Quarterly Foster Care and Adoption Assistance Financial Reports, the State must repay the this total amount by including prior period decreasing adjustments on Part 1, Line 1, Columns (c) and (d) of the above-referenced report which total the above-referenced amount of \$9,448.61 in FFP. A supplemental IVE-1 form must be submitted within 30 days of the date of this letter in order to avoid the assessment of interest. A supplemental submission must contain only the adjustments described above. Other claims or revisions must not be included and will not be accepted in this supplemental report. The original report should be submitted to the ACF Central Office, with a copy to the ACF Regional V Office. The address of our Central Office is as follows:

Administration on Children, Youth and Families
Office of Management Services
330 C Street, SW, Room 1427
Washington, D.C. 20447

This is the final decision of the Administration for Children and Families. Under regulations at 45 CFR Part 16, the State has an opportunity to appeal this decision to the Departmental Appeals Board (Board). This decision shall be the final decision of ACF unless, within 30 days of receiving this decision, you deliver or mail (using registered or certified mail to establish the date) a written notice of appeal to:

Department of Health and Human Services
Departmental Appeals Board, MS 6132
Appellate Division
300 Independence Avenue, S.W.
Cohen Building, Room G-644
Washington, D.C. 20201

You must attach to the notice a copy of this decision, note that you intend to appeal, state the amount in dispute, and briefly state why you think this decision is in error. A copy of the appeal should also be sent to my attention in the ACF Regional Office. The Board will notify you of further procedures.

If you appeal, you may elect to repay the amount at issue pending a decision by the Departmental Appeals Board, or you may retain the funds pending that decision.

An adjustment to return the disallowed funds for the purposes of avoiding interest assessment must be made through the use of a supplemental submission of the IVE-1 form, as described above. If you retain the funds and the Board sustains all or part of the disallowance, interest will be charged starting from the date of this letter on the funds the Board decides were properly disallowed. Regulations at 45 CFR, Part 30, details how interest will be computed.

In the event you choose to take no action to return the funds, it will be assumed you have elected to retain the funds either to appeal or to delay recoupment of the funds until the next issued grant award. Interest will continue to accrue on the Federal funds retained by the State during this period.

In addition, the State of Wisconsin must make any appropriate prospective decreasing adjustments on its Title IV-E-1 Quarterly Foster Care and Adoption Assistance Financial Report on behalf of any of the sample cases that were determined ineligible for FFP during the title IV-E secondary review to the present. Moreover, the State must cease claiming all IV-E related costs until these cases are determined to be eligible.

Overall, the results of Wisconsin's secondary title IV-E foster care eligibility review indicate that the State embodies multiple strengths and model practices relative to the federal title IV-E program. Improvements since the initial primary review were evident, and it is clear that Wisconsin maintains the well-being of children and families as its highest priority. Several notable strengths include the State's improvements relative to the reasonable efforts to finalize a permanency plan requirement, voluntary placement agreements, licensing procedures, and enhancements to the Wisconsin Statewide Automated Child Welfare Information System (WiSACWIS). Many of these improvements speak to the strong collaboration between the State agency, the county agencies, and the court systems, and the review team was able to identify these strong practices throughout the State.

Conversely, clear language in the State court orders regarding the transfer of placement and care responsibility to the county or State agency is the area most needing improvement. This requirement is an essential element of the review and ACF is committed to ensuring that it is upheld in the best interests of all children and families served by the child welfare system. Though ACF has accepted Attorney General Peggy


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Lautenschlager's legal opinion that Wisconsin statute currently fulfills this requirement, we strongly encourage the State to modify its practice in this area to ensure that it is not called into question again in the future. Suggested possible modifications include revisions to the State court order forms and/or the inclusion of a more direct provision in the Children's Code vesting the State or designated agency with the responsibility for the placement and care of children removed by the agency.

The State is not required to submit a Program Improvement Plan at this time and can anticipate the next primary title IV-E foster care eligibility review to take place in approximately 3 years.

Please contact Krista Thomas at (312) 353-1122 or by e-mail at kthomas@acf.hhs.gov if you have questions or need additional information.

Sincerely,


for Joyce A. Thomas
Regional Administrator

cc: Burnie Bridge, Administrator, WI DCFS
John Tuohy, Director, Office of Policy, Evaluation, and Planning, DCFS
Dr. Susan Orr, ACF

Enclosures